

# WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES AUGUST 2002



## A Fairly Typical July in the Southeast

The counties of the Southeast WDA adhered fairly closely to expected seasonal patterns with lower unemployment rates than June's figures. Even greater news is that the two of the three regional counties show unemployment rates lower than the July figures of 2001 and the third county is up only one-tenth of a percentage point from the annual perspective. This does not necessarily signal an end to the downturn but it may be a signal of economic moderation.

The **Racine MSA** unemployment rate (not seasonally adjusted) for July is 6.8 percent. This is lower than June's rate of seven percent and is one of the counties that has performed better than July 2001; down eight-tenths of a point. This annual decrease is very noteworthy for the very fact it is the first time an annual drop has occurred since January of 2000. The labor force shows a whopping 2,420 more employed (a three percent increase) coupled with 640 fewer unemployed and has shown the largest annual decrease within the region. The **City of Racine's** unemployment rate is 1.6 percent points lower than a year ago at 11.0 percent. It is still the state's highest city unemployment rate

Racine Industry employment gained 100 total jobs over the month. A very interesting and surprising fact is that manufacturing employment did not decrease over the month when even in the best of times a monthly drop is expected as many companies take a one to two-week production break for re-tooling and maintenance during this already popular vacation month. Retail trade showed the largest monthly loss as June is typically the annual peak of this sector's employment.

Annually, there are 820 more jobs, net, than at this point in 2001. The gains were mainly in services and government employment, which combined, added over 1,000 new workers. Construction employment has continued a good showing in the southeast increasing by 190 jobs as both commercial and private building continues all over the southeast. On the

negative side, manufacturing and its companion industry, wholesale trade continue to employ fewer than last year, down by 350 and 300 workers, respectively.

The **Kenosha MSA** not seasonally adjusted unemployment rate for July is 5.9 percent, up four-tenths of a point from June. This rise is actually expected in July and is usually substantially higher than the increase seen this month. In fact, given the 1991-2001 timeframe the average July rate is 5.7 percent so this month is not too far from typical. The labor force changed by factoring 610 fewer employed and 290 more unemployed. This disparity most likely shows that many, who were employed in June, are not working this month or for part of this month, but are not anticipating a

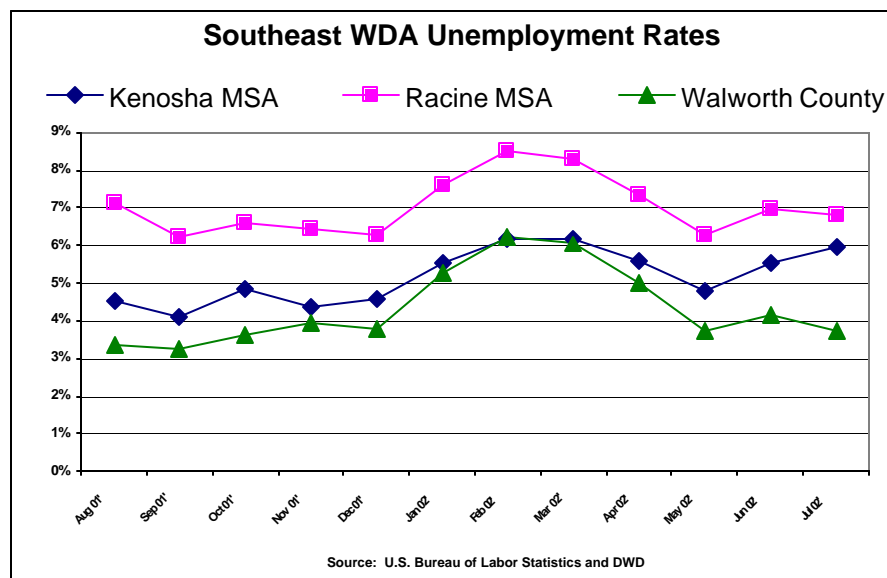
long duration out of work. The August figures should show a rebound in the number employed.

Annually, the unemployment rate is two-tenths of a percentage point lower than that of July 2001 and shows 2,280 more employed. The number of unemployed has remained unchanged. This is the second month

this year to show an unemployment rate lower than the year before. The other month was January.

Kenosha employers saw net losses (-1,240 jobs) across the board in all industries except construction, retail trade and government, which combined for a small gain of 110 jobs. This was hardly enough to offset the large, albeit, temporary and expected seasonal loss of 970 manufacturing jobs. Services employment also declined by 200 jobs as many temporary help agencies, which also supply labor for manufacturers, had to report fewer employed due to the brief, summer production hiatus.

Kenosha MSA counted one percent more jobs since last July adding 600 total new jobs. The brightest bit of news is that 770 more are employed in construction in Kenosha for a record 3,200 employed in this high paying industry. Manufacturing has continued its annual deficit, down by 430 jobs since last July. A bit of a disconcerting surprise is the dip in services employment over the year. Perhaps it is not so sur-



(Continued from page 1)

prising since July services employment has been declining year to year since 1999. Much of this has to do with the diminishing demand for temporary manufacturing employment in the County.

Walworth County's unemployment rate decreased five-tenths of a point over the month to 3.7 percent. Walworth was the only of the regional counties to show an annual increase, one-tenth of a point since last July.

Industry data show a net loss of jobs over the month with the lion's share (-760 jobs) in government employment, though this is probably attributed to tardy school districts' employment reporting in June as the July figures. Goods producing industries showed a small, but welcomed increase as manufacturing and construction employment edged up by 70 jobs, combined. Ser-

vices and FIRE continue to show growth throughout these seasonal months and will probably continue to do so for another six to eight weeks, minimum, and then industry employment will begin to subside as the warmer months turn into the cooler.

The industry comparison to last July shows 560 more jobs for a growth rate of 1.3 percent. This is fairly good growth in a dismal year, especially since Walworth started out very sluggishly in the beginning of 2002. It is just not surprising that manufacturing and wholesale trade remain in a deficit as a significant rebound has just not happened. These two sectors are down a combined 300 jobs. So it is welcomed that the majority of the service producing industries have shown robust growth; for example 21 percent growth in FIRE over the year. Service producing industries' employment grew about 2.5 percent, annually, whereas the goods producing industries declined by 1.8 percent over the same time period.

July 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
<b>Civilian Labor Force*</b>	3,117,013	83,445	97,319	57,412	238,176	49,562	40,713
Persons Employed	2,970,599	78,490	90,702	55,270	224,462	45,896	36,252
Persons Unemployed	146,414	4,955	6,617	2,142	13,714	3,666	4,461
Unemployment Rate	4.7%	5.9%	6.8%	3.7%	5.8%	7.4%	11.0%
<b>Total jobs of all non-farm industries**</b>	<b>2,847,337</b>	<b>53,297</b>	<b>82,548</b>	<b>43,385</b>	<b>179,230</b>		
<b>Goods Producing Jobs</b>	<b>712,663</b>	<b>13,730</b>	<b>25,447</b>	<b>11,578</b>	<b>50,755</b>		
<b>Service Producing Jobs</b>	<b>2,134,674</b>	<b>39,567</b>	<b>57,101</b>	<b>31,807</b>	<b>128,475</b>		
Construction & Mining	139,113	3,200	4,103	2,416	9,719		
All Manufacturing	573,550	10,530	21,344	9,162	41,036		
Transportation, Communications & Public Utilities	129,504	1,978	2,556	1,583	6,117		
Wholesale Trade	139,622	2,365	3,184	1,489	7,038		
Retail Trade	512,879	11,466	14,604	8,509	34,579		
Finance, Insurance, and Real Estate	154,664	1,413	2,442	1,682	5,537		
Services	810,007	13,547	23,641	12,257	49,445		
All Government	387,998	8,798	10,674	6,287	25,759		
<b>Change from June 2002</b>							
<b>Civilian Labor Force*</b>	3,300	-320	1,140	130	950	0	560
Persons Employed	16,060	-610	1,220	400	1,010	-360	490
Persons Unemployed	-12,750	290	-80	-270	-50	360	80
Unemployment Rate	-0.4%	0.4%	-0.2%	-0.5%	0.0%	0.7%	0.0%
<b>Total jobs of all non-farm industries**</b>	<b>-24,050</b>	<b>-1,240</b>	<b>100</b>	<b>-240</b>	<b>-1,380</b>		
<b>Goods Producing Jobs</b>	<b>2,320</b>	<b>-910</b>	<b>180</b>	<b>70</b>	<b>-670</b>		
<b>Service Producing Jobs</b>	<b>-26,370</b>	<b>-330</b>	<b>-80</b>	<b>-310</b>	<b>-720</b>		
Construction & Mining	2,340	60	60	30	160		
All Manufacturing	-20	-970	110	40	-820		
Transportation, Communications & Public Utilities (TCPU)	-3,060	-120	30	-150	-240		
Wholesale Trade	-150	-40	0	-10	-60		
Retail Trade	1,360	30	-180	220	70		
Finance, Insurance, and Real Estate (FIRE)	770	-10	10	170	170		
Services	3,310	-200	230	220	250		
All Government	-28,610	20	-160	-760	-910		
<b>Change from July 2001</b>							
<b>Civilian Labor Force*</b>	56,350	2,280	1,780	1,650	5,710	1,220	380
Persons Employed	50,550	2,280	2,420	1,530	6,230	1,330	970
Persons Unemployed	5,810	0	-640	120	-510	-110	-590
Unemployment Rate	0.1%	-0.2%	-0.8%	0.1%	-0.4%	-0.4%	-1.6%
<b>Total jobs of all non-farm industries**</b>	<b>12,020</b>	<b>600</b>	<b>820</b>	<b>560</b>	<b>1,980</b>		
<b>Goods Producing Jobs</b>	<b>-13,230</b>	<b>340</b>	<b>-160</b>	<b>-210</b>	<b>-30</b>		
<b>Service Producing Jobs</b>	<b>25,250</b>	<b>260</b>	<b>980</b>	<b>770</b>	<b>2,010</b>		
Construction & Mining	1,560	770	190	80	1,040		
All Manufacturing	-14,790	-430	-350	-290	-1,070		
Transportation, Communications & Public Utilities (TCPU)	-2,120	-70	40	20	-10		
Wholesale Trade	300	-150	-300	-10	-460		
Retail Trade	4,000	120	170	210	490		
Finance, Insurance, and Real Estate (FIRE)	2,500	-50	20	300	270		
Services	19,940	-590	460	-30	-160		
All Government	630	1,000	600	280	1,880		

\* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

\*\*Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

Questions and comments regarding this publication are welcome. Direct to: **Eric Grosso, State Labor Market Economist**  
 201 E. Washington Avenue, Room G200, Madison, Wisconsin 53703  
 608-266-7034 608-266-5887(FAX) E-mail: [eric.grosso@dwd.state.wi.us](mailto:eric.grosso@dwd.state.wi.us)  
 Look for the most current Labor Market Information at: [WWW.DWD.STATE.WI.US/LMI](http://WWW.DWD.STATE.WI.US/LMI)